

State Employee Compensation Plan

General Fund State Request Summary

	2005-07 General Fund-State
General Increases	
I-732 Cost of Living Adjustment	\$129,879,000
K-12 Health Benefits	\$168,030,000
Faculty Increments, Community and Technical Colleges	\$ 7,200,000
Part-time Faculty, Community and Technical Colleges	\$ 2,000,000
Classification Revisions	\$ 2,257,000
Non-Represented Employees	
Cost of Living Adjustment	\$ 32,782,000
Cost of Living Adjustment – Higher Education	\$ 62,860,000
Performance Pay	\$ 8,236,000
Salary Survey	\$ 17,164,000
Salary Survey – Higher Education	\$ 5,091,000
Health Benefits	\$ 36, 895,000
Collective Bargaining Agreements Negotiated by the Governor	
Washington Federation of State Employees	\$ 53,428,000
Washington Public Employees Association	\$ 4,609,000
Teamsters'	\$ 20,938,000
United Food and Commercial Workers	\$ 0
International Federation of Professional & Technical Engineers Local 17	\$ 241,000
Service Employees International Union Local 1199	\$ 3,896,000
Coalition (of unions with fewer than 500 represented employees)	\$ 1,627,000
Washington Federation of State Employees – Higher Education	\$ 5,975,000
Washington Public Employees Association – Higher Education	\$ 4,568,000
Super Coalition Health Benefits	\$ 80,677,000
Collective Bargaining Agreements Negotiated by Higher Education Institutions	
Central Washington University	\$ 1,961,000
Eastern Washington University	\$ 978,000
University of Washington	\$ 5,994,000
Washington State University	\$ 50,000
Western Washington University	\$ 1,173,000

Detail of Items Summarized Above

Local School Districts

Initiative 732 Cost of Living Increase	GF-S	Other	Total
	120,088,000	528,000	120,616,000

The annual cost of living adjustments (COLAs) for all public school employees as specified in Initiative 732, which was suspended for the 2003-04 and 2004-05 school years, will resume in the 2005-07 Biennium. The COLA is based on the Seattle consumer price index and provides an increase of 1.1 percent in the 2005-06 school year. Another increase of 1.4 percent will be provided in the 2006-07 school year.

K-12 Schools Health Benefits	GFS	Other	Total
	168,026,000	753,000	168,779,000

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Community and Technical Colleges

Part Time Faculty	GFS	Other	Total
	2,000,000	0	2,000,000

Currently, average annualized part-time faculty pay levels are at 57 percent of average full-time faculty pay levels. The Governor's budget proposed budget includes \$2 million in fiscal year 2007 to decrease the salary gap between full- and part-time faculty, continuing an effort that began in 1997.

Faculty Increments	GFS	Other	Total
	7,200,000	0	7,200,000

Faculty at the State Board for Community and Technical Colleges earn increments through additional training and development, but often the Board has not had enough money to pay salary increments to each eligible employee. The Governor's budget allows the Board to spend up to \$7.2 million their base appropriation for these increments, so that the incentive for faculty to broaden their skills remains strong.

State Employees

Classification Revisions	GFS	Other	Total
	2,257,000	1,671,000	3,928,000

The Personnel System Reform Act of 2002 requires consolidation of job classifications. Funding in the Governor's budget is provided for partial implementation of the Department of Personnel classification consolidation and revision plan. Groups 2 and 3 of this plan would be affected in 2005-07.

Non-Represented State Employees

Cost of Living Adjustment	GFS	Other	Total
Non-Higher Education	32,782,000	54,264,000	87,046,000
Higher Education	62,860,000	47,680,000	110,054,000

For state employees, except those covered by a bargaining unit or by Initiative 732, a 3.2 percent increase is provided in the Governor's budget, effective July 1, 2005. Another increase of 1.6 percent is provided effective July 1, 2006 until June 30, 2007.

Performance Pay	GFS	Other	Total
	8,236,000	13,508,000	21,744,000

The Personnel System Reform Act of 2002 emphasizes a move to performance-based compensation. For state employees, except those in higher education or represented by a bargaining unit, the Governor's budget provides funding in Fiscal Year 2007 for performance recognition awards. The amount is equivalent to 2 percent of these employees' salaries, but the pay would be based on performance rather than paid on an across-the-board basis. Agencies require approval of their performance pay plans by the Department of Personnel prior to implementing performance pay.

Salary Survey	GFS	Other	Total
Non-Higher Education	17,164,000	26,889,000	44,053,000
Higher Education	5,091,000	29,654,000	34,745,000

Funding is provided for state employees who lag most severely behind market rates in the 2002 Department of Personnel salary survey. Funding is provided to increase pay for those more than 25 percent below market rates.

Health Benefits	GFS	Other	Total
	36,895,000	29,744,000	66,639,000

The Governor's budget assumes the same health benefit package and employee cost-sharing in the 2005-07 Biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit. The funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for Fiscal Year 2006 and \$744/month for Fiscal Year 2007. An updated financial forecast for the Insurance Account indicates additional resources will be available, allowing the funding rate for non-represented employees to be lower than expected, \$663/month for Fiscal Year 2006 and \$618/month for Fiscal Year 2007. The actual state cost paid from the Insurance Account per comparable represented/non-represented employee will be the same.

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Collective Bargaining Agreements

Under the Personnel System Reform Act of 2002, collective bargaining negotiations were conducted with representatives of state employees, either by the Governor or by higher education institutions. The Governor's budget includes those agreements that were reached and ratified by the October 1, 2004 deadline. Only major economic proposals of the agreements are described below; the descriptions do not contain complete details of the agreements.

Agreements Negotiated by the Governor

Washington Federation of State Employees	GFS	Other	Total
	53,428,000	74,551,000	127,979,000

Provisions of this agreement include a cost-of-living increase of 3.2 percent effective July 1, 2005, a second increase of 1.6 percent effective July 1, 2006 through June 30, 2007, and implementation of the salary survey for classes more than 25 percent below market rate.

Washington Public Employees Association	GFS	Other	Total
	4,609,000	6,624,000	11,233,000

Provisions of this agreement include a cost-of-living increase of 3.2 percent effective July 1, 2005, a second increase of 1.6 percent effective July 1, 2006 through June 30, 2007, and implementation of the salary survey for classes more than 25 percent below market rate.

Brotherhood of Teamsters	GFS	Other	Total
	20,938,000	3,000	20,941,000

Provisions of this agreement include a cost-of-living increase of 3.2 percent effective July 1, 2005, a second increase of 2.9 percent effective July 1, 2006 through June 30, 2007, and implementation of the salary survey for classes more than 25 percent below market rate.

United Food and Commercial Workers	GFS	Other	Total
	0	1,138,000	1,138,000

Provisions of this agreement include a cost-of-living increase of 3.2 percent effective July 1, 2005, and a second increase of 1.6 percent effective July 1, 2006 through June 30, 2007.

International Federation of Professional and Technical Engineers Local 17	GFS	Other	Total
	241,000	3,792,000	4,033,000

Provisions of this agreement include a cost-of-living increase of 3.2 percent effective July 1, 2005, a second increase of 1.6 percent effective July 1, 2006 through June 30, 2007, and implementation of the salary survey for classes more than 25 percent below market rate.

Service Employees International Union Local 1199	GFS	Other	Total
	3,896,000	1,762,000	5,658,000

Provisions of this agreement include a cost-of-living increase of 3.2 percent effective July 1, 2005, a second increase of 1.6 percent effective July 1, 2006 through June 30, 2007, and an adjustment to the salary grid.

Coalition	GFS	Other	Total
	1,627,000	3,579,000	5,206,000

Provisions of this agreement include a cost-of-living increase of 3.2 percent effective July 1, 2005, a second increase of 1.6 percent effective July 1, 2006 through June 30, 2007, and implementation of the salary survey for classes more than 25 percent below market rate.

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Washington Federation of State Employees – Higher Education

GFS	Other	Total
5,975,000	1,984,000	7,959,000

Provisions of this agreement include a cost-of-living increase of 3.2 percent effective July 1, 2005, a second increase of 1.6 percent effective July 1, 2006 through June 30, 2007, and implementation of the salary survey for classes more than 25 percent below market rate.

Washington Public Employees Association – Higher Education

GFS	Other	Total
4,568,000	1,902,000	6,470,000

Super Coalition Health Benefits

GFS	Other	Total
80,677,000	75,297,000	155,974,000

The Governor's budget assumes the same health benefit package and employee cost-sharing in the 2005-07 Biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit. The funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for Fiscal Year 2006 and \$744/month for Fiscal Year 2007. An updated financial forecast for the Insurance Account indicates additional resources will be available, allowing the funding rate for non-represented employees to be lower than expected, \$663/month for Fiscal Year 2006 and \$618/month for Fiscal Year 2007. The actual state cost paid from the Insurance Account per comparable represented/non-represented employee will be the same.

Agreements Negotiated by Higher Education Institutions

Central Washington University

GFS	Other	Total
1,961,000	105,000	2,066,000

Central Washington University's budget includes collective bargaining agreements negotiated with the Washington Federation of State Employees Bargaining Unit 1 and Bargaining Unit 2. Provisions of these agreements include a cost-of-living increase of 3.2 percent effective July 1, 2005, a second increase of 1.6 percent effective July 1, 2006 through June 30, 2007, and implementation of the salary survey for classes more than 25 percent below market rate.

Eastern Washington University

GFS	Other	Total
978,000	102,000	1,080,000

Eastern Washington University's budget includes collective bargaining agreements negotiated with the Washington Federation of State Employees Bargaining Unit 1 and Bargaining Unit 2. Provisions of these agreements include a cost-of-living increase of 3.2 percent and a lump sum payment of \$500 effective July 1, 2005, and a lump sum payment of 1.6 percent effective July 1, 2006.

University of Washington

GFS	Other	Total
5,994,000	0	5,994,000

The University of Washington's budget includes several collective bargaining agreements:

The provisions negotiated with the Service Employees International Union 925 include a cost-of-living increase of 3.2 percent effective July 1, 2005, a second increase of 1.6 percent effective July 1, 2006 through June 30, 2007, a change in compensation for some hourly/temporary workers, and implementation of a University salary survey.

The provisions negotiated with the Washington Federation of State Employees, Campus-wide, Library, Custodial Supervisor, Harborview Medical Center, and Harborview Medical Center Public Safety Officers Bargaining Units include a cost-of-living adjustment of 3.2 percent effective July 1, 2005, a second increase of 1.6 percent effective July 1, 2006 through June 30, 2007, and implementation of a University salary survey.

The provisions negotiated with the Washington Federation of State Employees, Skilled Trades Bargaining Unit include a \$1.00 per hour increase effective July 1, 2005, an increase in shift differential pay and an adjustment to the salary grid.

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The provisions negotiated with Service Employees International Union 1199 NW Harborview Medical Center Professional and Technical Bargaining Unit include a 1.5 percent salary increase effective January 1, 2006, a 1.5 percent salary increase effective January 1, 2007, an adjustment to the salary grid, and changes in premium pay.

The provisions negotiated with Service Employees International Union 1199 NW Harborview Medical Center Registered Nurse Bargaining Unit include a 2.0 percent salary increase effective July 1, 2005, a 2.0 percent salary increase effective July 1, 2006 a 2.0 percent salary increase effective January 1, 2007, an adjustment to the salary grid, and changes in premium pay.

The provisions negotiated with Service Employees International Union 1199 NW Harborview Medical Center Social Work and Health Care Specialist Bargaining Units include a 2.0 percent salary increase effective July 1, 2005, a 2.0 percent salary increase effective July 1, 2006 a 1.0 percent salary increase effective January 1, 2007, an adjustment to the salary grid, and changes in premium pay.

The provisions negotiated with the University of Washington Police Officers' Association include a 3.2 percent salary increase effective July 1, 2005, a 1.6 percent increase effective July 1, 2006, and longevity pay increases.

The provisions negotiated with the Washington Federation of State Employees Police Management Bargaining Unit include a 3.2 percent salary increase effective July 2005, and a 15 percent supervisory differential effective July 2006.

The provisions negotiated with the Washington State Nurses Association include a 2.0 percent salary increase effective July 1, 2005, a 2.0 percent salary increase effective July 1, 2006, a 2.0 percent salary increase effective January 1, 2007, an adjustment to the salary grid, and changes in premium pay.

The provisions negotiated with the Inland Boatmen's Union of the Pacific include a 3.2 percent cost of living increase effective July 1, 2005, second increase of 1.6 percent effective July 1, 2006 until June 30, 2007, and an adjustment to the salary grid.

Washington State University	GFS	Other	Total
	50,000	0	50,000

Washington State University's budget includes collective bargaining agreements negotiated with the Washington State University Police Guild. Provisions of these agreements include a cost-of-living increase of 3.2 percent effective July 1, 2005, and a lump sum payment of 2.9 percent effective July 1, 2006.

Western Washington University	GFS	Other	Total
	1,173,000	341,000	1,514,000

Western Washington University's budget includes several collective bargaining agreements: The provisions negotiated with the Washington Federation of State Employees Bargaining Unit A and Bargaining Unit B include a 3.2 percent cost-of-living increase effective July 1, 2005, a second increase of 1.6 percent effective July 1, 2006 until June 30, 2007, and implementation of the salary survey for classes more than 25 percent below market rate.

The provisions negotiated with the Washington Federation of State Employees Bargaining Unit E include a 3.2 percent cost-of-living increase effective July 1, 2005, and a second increase of 1.6 percent effective July 1, 2006 until June 30, 2007.

The provisions negotiated with the Washington Public Employees Association include a 3.2 percent cost-of-living increase effective July 1, 2005, a second increase of 1.6 percent effective July 1, 2006 until June 30, 2007 and implementation of the salary survey for classes more than 25 percent below market rate.